



# **Family and Social Services Administration**

## **Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE)**

### **Annual Report State Fiscal Year 2008**

**July 1, 2007 to June 30, 2008**

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## **Executive Summary**

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program continued to provide needed services for thousands of Hoosiers in State Fiscal Year 2008 (SFY08), which encompasses July 1, 2007 through June 30, 2008. In SFY08, CHOICE provided community and home care services as an alternative to institutional care for 10,739 Hoosiers. Total CHOICE expenditures for the fiscal year were \$44,521,678, which are exclusively state dollars. While the spectrum of CHOICE service recipients varies greatly, the average program participant was a Caucasian female, age eighty-five or greater, and the only member of her household. Additionally, she would have circulatory, nervous, and/or muscular impairments and be unable to perform three or more assessed activities of daily living, or ADLs.

The average cost per month for a CHOICE client was \$439.22, compared to the average cost per month of a client in a nursing facility of \$4,447.83. The average yearly cost for a CHOICE client was \$5,271, compared to the average yearly cost per month of a nursing facility client of \$53,374. The overall yearly savings is \$48,103, of which \$17,832 is the state's share and the remaining \$30,271 is the federal share.

Overall, State Fiscal Year 2008 figures illustrate that the CHOICE program continues to be a cost-effective way to provide needed services to Hoosiers.

## **Introduction**

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program was established during the 1987 legislative session through House Enrolled Act 1094 and began as a pilot program in Knox, Daviess, and Tippecanoe counties in 1988. In 1990, the program expanded to eleven additional counties and by 1992, the program included services to all of Indiana's 92 counties. In 2005, Indiana Code 12-10-10-4 was amended to include an individual asset limit to not exceed the worth of five hundred thousand dollars. CHOICE is funded exclusively with state dollars.

To be an "eligible individual" for CHOICE program services, one must:

be a resident of the State of Indiana;

be 60 years of age or older or disabled;

not have assets exceeding the worth of five hundred thousand dollars, as determined by the Indiana Division of Aging; and

qualify under the criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence if the individual is unable to perform two (2) or more assessed activities of daily living.

CHOICE funding for services is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources. While there are no income restrictions on eligibility, a cost share exists for anyone above 151% of Federal Poverty Level. For State Fiscal Year 2008 (SFY08), the CHOICE program

continued to play an important and critical part in providing community and home care services to those individuals who met eligibility requirements.

### **Basis for the CHOICE Annual Report**

IC 12-10-10-11 is the basis for the CHOICE annual report. The code is listed throughout this report along with the appropriate statistics and data from SFY08, which encompasses July 1, 2007 through June 30, 2008.

### **Reporting Requirements**

#### **IC 12-10-10-11**

Before October 1 of each year, the Division, in conjunction with the Office of the Secretary, shall prepare a report for review by the Board and the General Assembly. The report must include the following information regarding clients and services of the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program and other long term care home and community-based programs.

### **Amount and Source of Local, State and Federal Dollars Spent**

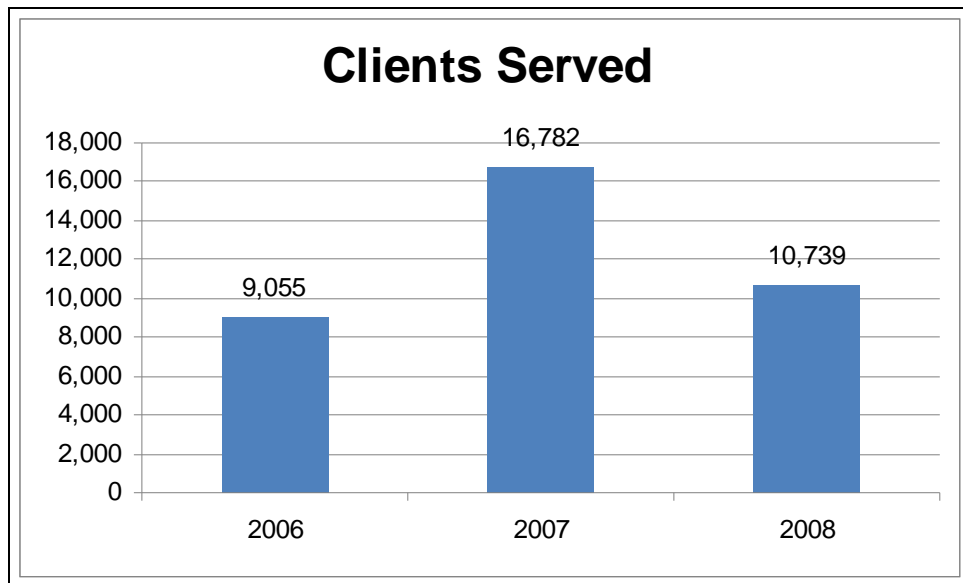
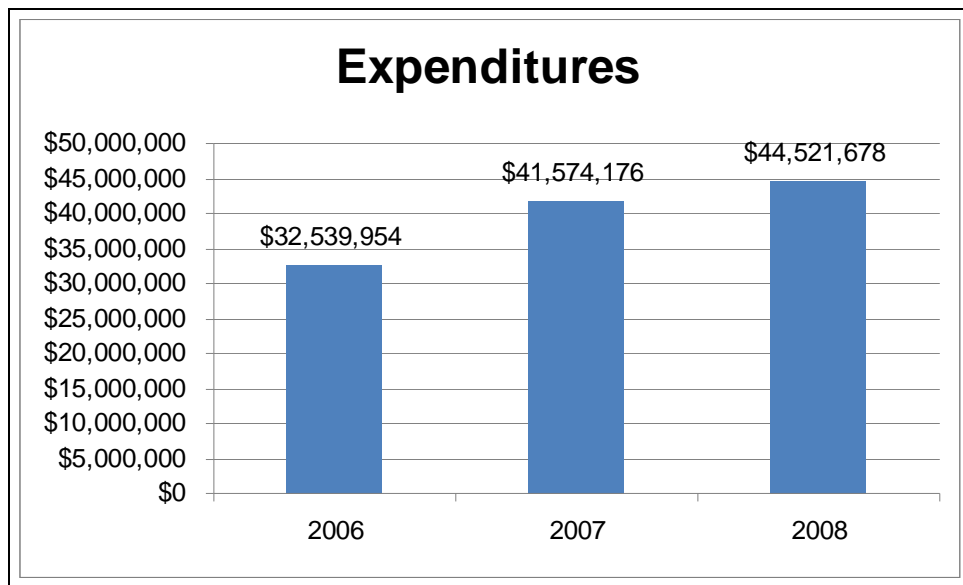
#### **IC 12-10-10-11(a) (1)**

Total Expenditures (CHOICE, SSBG, Older Americans Act - Title III, Aged and Disabled Medicaid Waiver, and Traumatic Brain Injury Medicaid Waiver) for SFY08.

	<b>Total</b>	<b>State</b>	<b>Federal</b>	<b>Total # Served<sup>1</sup></b>
Aged and Disabled Medicaid Waiver <sup>2</sup>	\$59,567,672	\$22,081,736	\$37,485,936	7,604
Traumatic Brain Injury Medicaid Waiver	\$3,480,286	\$1,290,142	\$2,190,144	141
Social Services Block Grant (SSBG) <sup>3</sup>	\$6,682,781	\$687,369	\$5,995,412	15,593
Older Americans Act- Title III <sup>4</sup>	\$24,348,396	\$210,796	\$24,137,600	14,543
<u>CHOICE<sup>5</sup></u>	<u>\$44,521,678</u>	<u>\$44,521,678</u>	<u>\$0</u>	<u>10,739</u>
<b>SFY08 Total Expenditures</b>	<b>\$138,600,812</b>	<b>\$68,791,721</b>	<b>\$69,809,092</b>	<b>48,620</b>

Below is a comparison of the past three state fiscal year CHOICE expenditures and number of clients served in 2006, 2007, and 2008, respectively.

Year	Expenditures	Clients Served
2006	\$32,539,954	9,055
2007	\$41,574,176	16,782
2008	\$44,521,678	10,739



**Use of CHOICE to Supplement the Funding of Services from Other Programs<sup>6</sup>**  
**IC 12-10-10-11(a) (2)**

Total number of clients who used the CHOICE program to supplement the funding of services provided through other programs:

**1,858<sup>7</sup>**

**Number and Types of Providers<sup>8</sup>**  
**IC 12-10-10-11(a) (3)**

Total Number of CHOICE Providers:

**676**

Types of Participating CHOICE Providers:

Adult Day Care Centers

Area Agencies on Aging

Assistive Technology Suppliers

Cleaning Service Companies

Construction Companies

Doctors

Faith-Based Social Service Agencies

Home Delivered Meals Services

Home Health Agencies

Home Nursing Agencies

Hospitals

Informal Providers

Legal Service Organizations

Local Housing Authorities

Medical Centers

Medical Equipment Companies

Mental Health Agencies

Pest Control Companies

Pharmacies

Physical Therapists

Transportation Companies

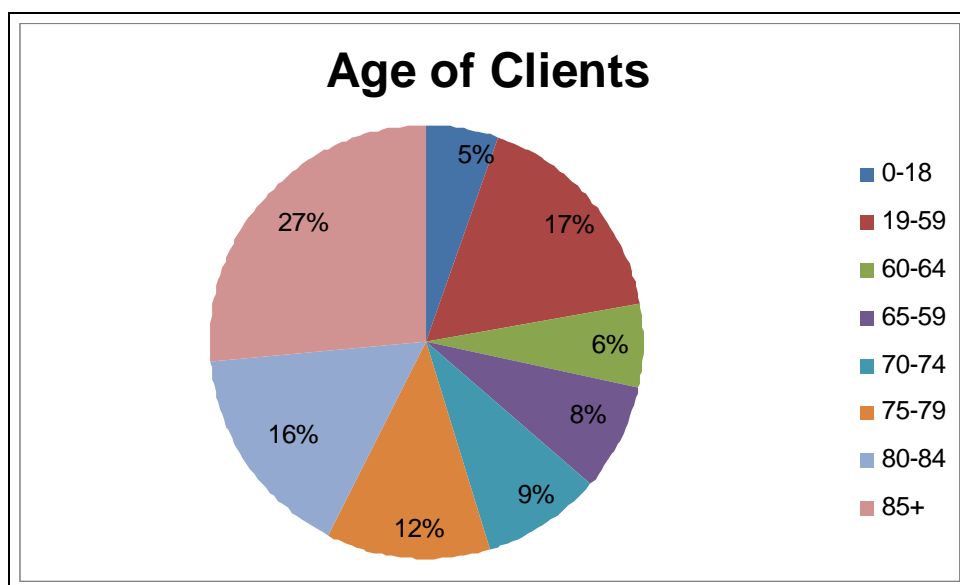
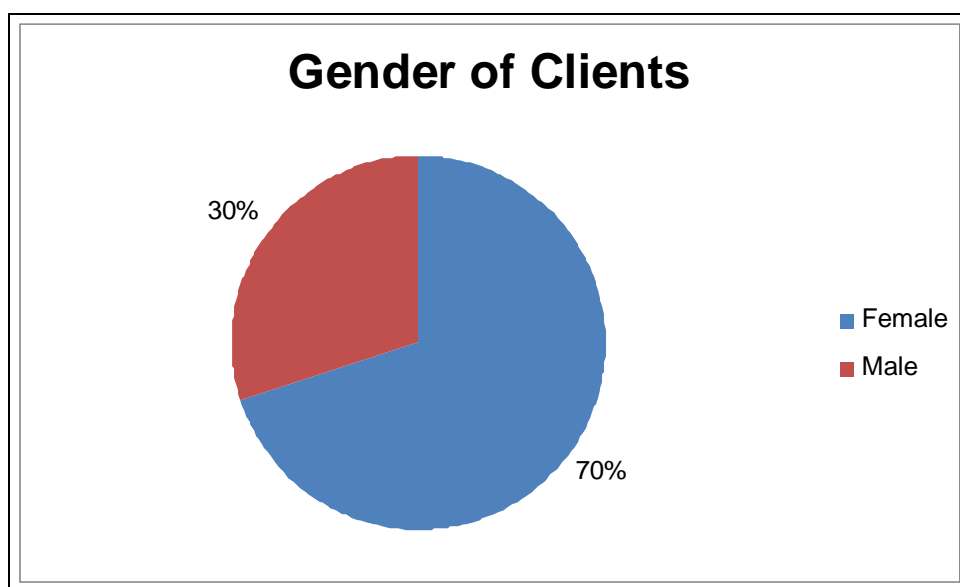
**Demographic Characteristics<sup>9</sup>**  
**IC 12-10-10-11(a) (4) (A)**

Total clients:

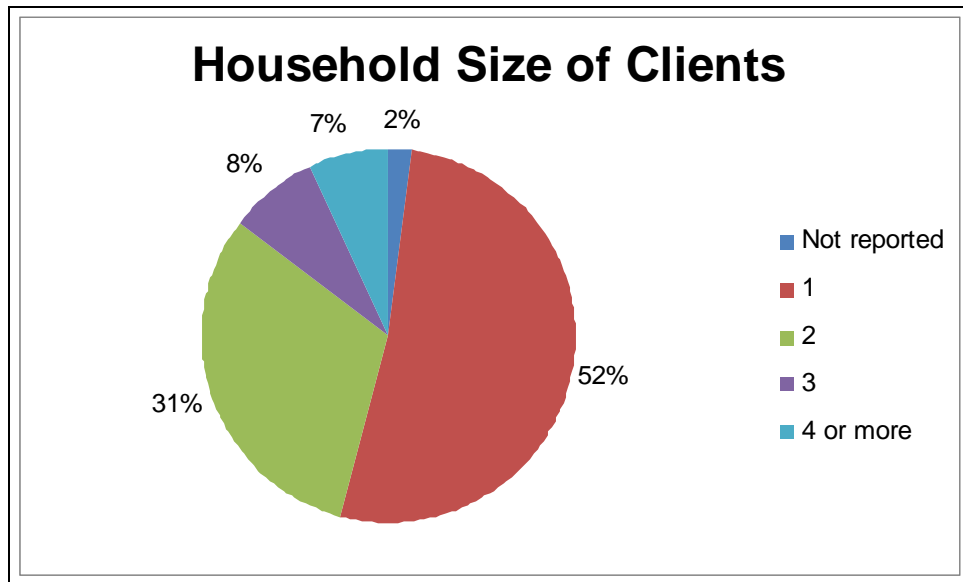
**10,739**

Age Range	Female	Male	Total
0-18	218	345	563
19-59	1,068	743	1,811
60-64	464	208	672
65-59	590	258	848
70-74	709	266	975
75-79	961	324	1,285
80-84	1,276	453	1,729
85+	2,235	606	2,841
<b>TOTAL</b>	<b>7,521</b>	<b>3,203</b>	<b>10,724</b>

**Note: 15 clients did not report gender**

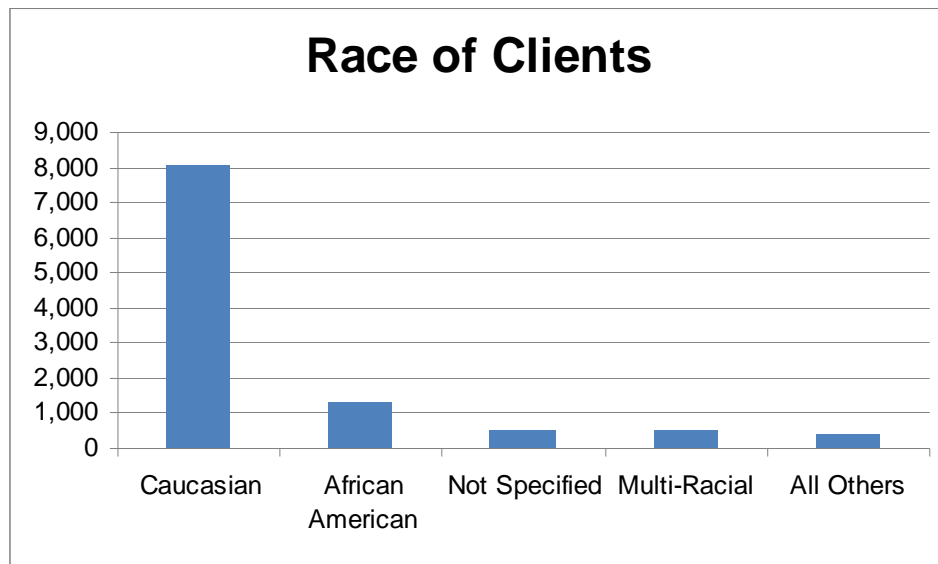


Household Size	Number of Clients
Not reported	215
1	5,616
2	3,336
3	823
4 or more	749
<b>Total</b>	<b>10,739</b>



<b>Race<sup>10</sup></b>	<b>Clients</b>
Caucasian	8,115
African American	1,292
Not Specified	501
Multi-Racial	488
All Others <sup>11</sup>	388





### Impairments and Medical Characteristics of CHOICE Clients<sup>12</sup> IC 12-10-10-11(a) (4) (B)

Impairments and Medical Characteristics of CHOICE clients include:

Primary		
Diagnosis	Number	% of Total
1. Circulatory	2,137	19.9%
2. Nervous	1,920	17.9%
3. Muscular	1,406	13.1%
4. All Others <sup>13</sup>	5,276	49.1%

Secondary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	2,372	22.1%
2. Circulatory	2,254	21.0%
3. Muscular	1,481	13.8%
4. All Others <sup>14</sup>	4,632	43.1%

Tertiary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	4,139	38.5%
2. Circulatory	1,678	15.6%
3. Muscular	1,185	11.0%
4. All Others <sup>15</sup>	3,737	34.8%

**Comparison of Costs for All Publicly Funded Long Term Care Programs  
IC 12-10-10-11(a) (5)**

<b>SFY08</b>	<b>CHOICE</b>	<b>Older Americans Act - Title III</b>	<b>Combined Home and Community-Based Waivers</b>	<b>Social Services Block Grant (SSBG)</b>
<b>Annual Expenditures<sup>16</sup></b>	<b>\$44,521,678</b>	<b>\$ 24,348,396</b>	<b>\$63,047,958<sup>17</sup></b>	<b>\$6,682,781</b>

The average cost per month is the average cost per day multiplied by 30.4167, which represents the average number of days per month. The average cost per year is the average cost per day multiplied by 365 days per year.

<b>CHOICE<sup>18</sup></b>	<b>Total</b>	<b>State</b>	<b>Federal</b>
<b>Average Cost</b>			
Per Day	\$14.44	\$14.44	\$0.00
Per Month	\$439.22	\$439.22	\$0.00
Per Year	\$5,270.60	\$5,270.60	\$0.00
<b>Nursing Facilities<sup>19</sup></b>	<b>Total</b>	<b>State</b>	<b>Federal</b>
<b>Average Cost</b>			
Per Day	\$146.23	\$54.56	\$91.67
Per Month	\$4,447.83	\$1,659.49	\$2,788.34
Per Year	\$53,373.95	\$19,913.82	\$33,460.13

**Client Care Outcomes<sup>20</sup>  
IC 12-10-10-11(a) (6)**

CHOICE provided community and home care services as an alternative to institutional care for 10,739 clients for SFY08.

For SFY08, there were 533 CHOICE clients who were approved and confirmed to start the Aged and Disabled Waiver, thus transferring from the CHOICE program to a Medicaid Waiver service.

**Estimated Number of Applicants for Services from CHOICE with One ADL<sup>21</sup>  
IC 12-10-10-11(a) (7) (A)**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have one (1) assessed activity of daily living (ADL) that cannot be performed.

CHOICE clients unable to perform 1 ADL: 285 people

**Estimated Number of Applicants for Services from CHOICE with Two ADLs<sup>22</sup>**  
**IC 12-10-10-11(a) (7) (B)**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have two (2) assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 2 ADLs: 1,970 people

**Estimated Number of Applicants for Services from CHOICE with Three or More ADLs<sup>23</sup>**

**IC 12-10-10-11(a) (7) (C)**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have three (3) or more assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 3 or more ADLs: 6,590 people

CHOICE clients needing no assistance with ADLs: 333 people

Number of CHOICE clients with no ADL information reported: 1,561 people

**Total clients 10,739**

**Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs**

**IC 12-10-10-11(a) (7) (A) (B) and (C)**

**Program savings**

The average cost per month for CHOICE services was \$4,009 less than the average cost to maintain someone in an institution (\$439 vs. \$4,448). The breakdown of State versus Federal portion of the savings (by day, month, and year) is illustrated below. The calculation of the savings is based on the total savings (A-B).

	<b>Daily Rate</b>	<b>Monthly Rate</b>	<b>Yearly Rate</b>
A. Nursing Home	\$146	\$ 4,448	\$53,374
B. CHOICE	\$14	\$ 439	\$5,271
<b>C. Savings (A - B)</b>	<b>\$132</b>	<b>\$ 4,009</b>	<b>\$48,103</b>
D. State Share of Savings <sup>24</sup>	\$49	\$ 1,486	\$17,832
E. Federal Share of Savings <sup>25</sup>	\$83	\$ 2,523	\$30,271

## **Client access**

In SFY08, CHOICE clients had access to an array of services. CHOICE services include the following:

Adult Day Services	Homemaker
Transport – Adult Day Services	Home Health Aide
Specialized Medical Equipment	Home Health Supplies
Assisted Transportation	LPN
Attendant Care	Medication Setup
Bath Aide	Medication Time Reminders
Behavior Management	Occupational Therapy
Case Management	Other Needed Services
Environmental Modification	Physical Therapy
Family and Care Training	Respite
Foot Care	Resident Based Habilitation
Home Delivered Meals	Respite – Homemaker
Skilled Care, RN	Speech Therapy
Respite Nursing	Social Worker
RN	Transportation
Skilled Nursing	Wheelchair Transportation

**Costs of Other Funding Sources for Services and their Annual Costs Compared to CHOICE Annual Cost.<sup>26</sup>**

Funding Source	Annual Cost - SFY08		
	Total	State	Federal
Aged and Disabled Medicaid Waiver	\$59,567,672	\$22,081,736	\$37,485,936
Traumatic Brain Injury Medicaid Waiver	\$3,480,286	\$1,290,142	\$2,190,144
Social Services Block Grant	\$6,682,781	\$687,369	\$5,995,412
Older Americans Act - Title III	\$24,348,396	\$210,796	\$24,137,600
CHOICE	\$44,521,678	\$44,521,678	\$0
<b>Total</b>	<b>\$138,600,812</b>	<b>\$68,791,721</b>	<b>\$69,809,092</b>

<sup>1</sup> INsite (Indiana In-Home Services Information System)

<sup>2</sup> A&D and TBI figures were taken from Milliman's financials. State share calculated as \$ \* 0.3707; Federal share calculated as \$ \* 0.6293.

<sup>3</sup> SSBG State dollars represents the state appropriation/share for this program. Brown, Frieda. Annual Report Numbers. Division of Aging Accounting.

<sup>4</sup> Title III Admin is 25% State and 75% Federal dollars. Title III-B Services is 100% Federal dollars. Brown, Frieda. Annual Report Numbers. Division of Aging Accounting.

<sup>5</sup> CHOICE is 100% State dollars.

Brown, Frieda. Annual Report Numbers. Division of Aging Accounting.

<sup>6</sup> INsite (Indiana In-Home Services Information System)

<sup>7</sup> Clients matched from Choice against Indiana Medicaid data only.

<sup>8</sup> INsite (Indiana In-Home Services Information System)

<sup>9</sup> INsite (Indiana In-Home Services Information System)

<sup>10</sup> As some clients reported being multi-racial, there is a possibility of duplication.

<sup>11</sup> The term "all others" includes: Alaska Native, American Indian, Asian, Asian Indian, Chamorro, Chinese, Cuban, Filipino, Guamanian, Hispanic, Japanese, Korean, Mexican, Mixed, Native Hawaiian, Other Pacific Islander, Other Asian, Other Hispanic, Other Race, Puerto Rican, Samoan, and Vietnamese.

<sup>12</sup> INsite (Indiana In-Home Services Information System)

<sup>13</sup> Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other, No Diagnosis Code

<sup>14</sup> Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

<sup>15</sup> Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

<sup>16</sup> Brown, Frieda. Annual Report Numbers. Division of Aging Accounting.

<sup>17</sup> Includes Aged and Disabled and Traumatic Brain Injury Medicaid Waivers

<sup>18</sup> INsite (Indiana In-Home Services Information System)

<sup>19</sup> Myers and Stauffer, LC. State share calculated as \$ \* 0.3731; Federal share calculated as \$ \* 0.6269.

<sup>20</sup> INsite (Indiana In-Home Services Information System)

<sup>21</sup> INsite (Indiana In-Home Services Information System)

<sup>22</sup> INsite (Indiana In-Home Services Information System)

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<sup>23</sup> INsite (Indiana In-Home Services Information System)

<sup>24</sup> State share calculated as  $C * 0.3707$

<sup>25</sup> Federal share calculated as  $C * 0.6293$

<sup>26</sup> Brown, Frieda. Annual Report Numbers. Division of Aging Accounting.